

BRIEFING	TO:	Judith Badger
	DATE:	18 June 2025
	LEAD OFFICER:	Adrian Blaylock Head of Service Revenues, Benefits & Payments 01709 244918
	TITLE:	Updated Business Rates Discretionary Relief Policy
1. Background		
1.1	Under Section 47 of the Local Government Finance Act 1988, local authorities in England have the power to grant discretionary relief from business rates to certain ratepayers. This provision allows councils to support local businesses and organisations that contribute to the community, such as charities, non-profits, and small enterprises. Relief can be granted in full or in part, and the decision lies with the local authority, which must consider the interests of local council taxpayers.	
1.2	Historically, this relief has been used to support sectors such as retail, hospitality, and leisure, especially during periods of economic hardship.	
2. Key Issues		
2.1	<p>The current discretionary relief policy, approved in 2016, is now outdated. Since its adoption, there have been a number of changes in both government guidance and the legal framework governing public subsidies:</p> <ul style="list-style-type: none">Updated Government Guidance: Government regularly announce business rate relief schemes they expect local government to implement on their behalf using the discretionary powers contained within Section 47 of the Local Government Finance Act 1988. Any relief which is awarded in line with guidance issued to councils is funded by central government by way of a grant payment.Subsidy Control Act 2022: The UK’s exit from the EU led to the replacement of EU State Aid rules with the Subsidy Control Act, which came into force in 2023. This legislation imposes new requirements on how public authorities can award financial assistance, including business rates relief. Councils must now ensure that any relief granted complies with the principles of the new subsidy control regime.	
2.2	As a result of these developments, the 2016 policy does not reflect the current legal obligations or strategic priorities, creating a risk of non-compliance and inconsistent application.	
2.3	To address these issues, the discretionary business rates relief policy has been updated to:	

	<ul style="list-style-type: none"> Align with current government guidance, ensuring that relief is targeted effectively and transparently. Incorporate the requirements of the Subsidy Control Act 2022, including the need to assess and record whether relief constitutes a subsidy and, if so, whether it complies with the relevant thresholds and principles. Clarify eligibility criteria and decision-making processes, providing greater consistency and legal certainty for both officers and applicants. <p>This updated policy ensures that the council can continue to support local businesses while remaining compliant with national legislation and best practice.</p>
3. Key Actions and Timelines	
3.1	<p>Completed Actions</p> <ul style="list-style-type: none"> - Requirement for updated policy identified - Discussion with Councillor Alam and the Leader of the Council - Decision added to forward plan - Policy updated - Equality Impact Assessment (Parts A & B) created - Officer decision record drafted & checklist completed - Officer decision record submitted for approval <p>Outstanding Actions</p> <ul style="list-style-type: none"> - Policy to be implemented post approval
4. Recommendations	
4.1	The revised policy be approved.